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FM AMEMBASSY GUATEMALA  
TO RUEHC/SECSTATE WASHDC PRIORITY 6577  
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY  
RUEHME/AMEMBASSY MEXICO PRIORITY 5020  
RUEAIIA/CIA WASHDC PRIORITY  
RHMCSSU/FBI WASHINGTON DC PRIORITY  
RUEABND/DEA HQS WASHDC PRIORITY  
RHMFIUU/CDR USSOUTHCOM MIAMI FL PRIORITY

UNCLAS GUATEMALA 001504

SENSITIVE  
SIPDIS

E.O. 12958: N/A

TAGS: [SNAR](#) [KCRM](#) [PTER](#) [KJUS](#) [KDEM](#) [GT](#)  
SUBJECT: NARCO-GUNFIGHT ON MEXICAN BORDER KILLS AT LEAST 16

REF: GUATEMALA 387

**¶1.** (U) At least 16 persons, most of whom reportedly were suspected narcotraffickers, died November 30 during a protracted gunfight in the Guatemalan-Mexican border town of Agua Zarca in the municipality of Santa Ana Huista, Huehuetenango (western Guatemala). Among the dead were alleged members of the Guatemalan narcotrafficking group "Reyes Sosa," local prominent businessman Mariano Fernando Castillo Ovalle and his son Jose Mariano Castillo Munoz, and possibly members of the Mexican "Zetas."

**¶2.** (U) Near the Agua Zarca horse race track, reportedly owned by a member of the Reyes Sosa group, police found several abandoned cars, including one with a Mexican license plate, and numerous automatic weapons. Police have arrested at least two Guatemalans and four Mexican nationals as suspects in the shootout, including Victor Hugo Morales Gonzalez whom police suspect is "El Amarillo," an alleged member of the Mexican Gulf Cartel. Morales was reportedly detained earlier this year, in August, under the alias of "Flavio Mendez Santiago" in Guatemala City, but was released for lack of evidence. In a separate, but perhaps related, incident in August 2007 Werner Gudiel Velasquez, the mayor of Santa Ana Huista, was killed by assailants with alleged ties to narcotrafficking, according to the Public Ministry. The case remains under investigation.

**¶3.** (SBU) While DEA has no firm conclusions at this early stage of investigation, credible DEA sources reported that the gunfight was an incursion by the Mexican Zetas for control of Guatemalan territory. They confirmed that among the dead are Guatemalan narcotraffickers associated with the Reyes Sosa group. They also stated that Walter Montejo and Aler Samayoa are known members of the organization. DEA sources suspect that the gunfight was instigated by Reyes Sosa's refusal to cooperate with the Zetas. At least three or four innocent bystanders were killed by the indiscriminate gunfire. DEA has no derogatory information on coffee grower Mariano Castillo or his son, whom the press identified as "innocent victims," but confirmed that "El Amarillo" is a member of the Zetas, which belongs to the Mexican Gulf Cartel. DEA has confirmed 16 dead, three wounded, and eight arrested in connection with the gunfight. According to NAS, there are indications, based on PNC sources, that the total number of dead exceeds 22.

**¶4.** (SBU) Comment: This is the third major shootout involving Mexican Zetas this year. In the past few months, there has been a significant increase in narco-violence and increasing public pressure for President Colom to act decisively to address the problem. Colom, who publicly acknowledged that Mexican narcotraffickers are now operating in six departments of Guatemala, has committed to begin judicial wiretapping

operations against organized crime groups to strengthen investigation and prosecution under the Law Against Organized Crime.

Lindwall